

Director
Intelligence Community Staff



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22 July 1983




NOTE FOR DDCI  25 JUL 1983

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SUBJECT: LANDSAT/METSAT

John:

This memorandum from 
on LANDSAT/METSAT is good background on the
subject and cites some key concerns.


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Rear Admiral, USN

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Attachment:

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18 July 1983

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18 July 1983

MEMORANDUM FOR: Director, Intelligence Community Staff
THROUGH: Deputy Director, Intelligence Community Staff
SUBJECT: Interagency Board on Civil Operational Earth-observing
Satellite Systems (IB-COESS) Meeting 15 July 1983

1. This memorandum reports on the 15 July meeting of the IB-COESS, concerned with the commercialization of civil environmental satellites. The IB-COESS is chaired by Dr. Anthony Calio, Deputy Director of the National Oceanographic and Atmospheric Administration, Department of Commerce. [] STAT

2. The meeting was the first at which reportable work by Commerce was reflected. Commerce is making progress in preparing the first draft of an RFP to industry to solicit bids for purchasing the United States' civil meteorological and earth resources satellites. The 8 August target date for issuing this RFP may be met. [] STAT

3. The content of the RFP pertaining to the meteorological systems seems close to fixed and, given the President's decision to offer them for sale, appears reasonable. There was a consensus that the USG will purchase the METSAT product for world-wide distribution and will pay for direct downlink passage of information to foreign direct-receive locations, a no-risk, sure-bet for the purchaser. Foreign policy and national defense concerns are covered by the content of the RFP. [] STAT

4. The earth resources satellites (LANDSAT) are not in an equally satisfactory condition. Foreign policy and national defense concerns will be covered in the RFP, but complaints that a \$5 million market is trying to drive a \$300 million operation may arise; this seems to be the view of at least part of the Commerce group addressing this effort. The basic problem, however, is budget. The total market for LANDSAT products appears to be about \$10 million/year and the cost of a single vehicle (with launch) about \$300 million. The OMB representative says that there will be no subsidy. Dr. Calio noted that the Secretary of Commerce does not agree with the Director, OMB; that a subsidy is necessary; and the process will, consequently, steam ahead. [] STAT

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5. The principal outstanding issues appear to be:

- o Will DoD provide to a commercial operator the Delta ELVs which are tentatively allocated to NOAA/NASA for METSAT launches? Dr. Cooper and Mr. Aldridge have said not necessarily--price and availability will have to be negotiated separately by the purchaser with DoD. Without an assured launch, sale to an entrepreneur will be rough, if possible.
- o Will the USG subsidize LANDSAT? (In my view, without subsidization--no sale.) Other DoD ground support is also withheld as a positive commitment by the US Government.

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6. I am concerned about the uniform assumption that, short of exercise of war powers, the USG can control, in a Falkland-like situation, for example, the flow of information that would be collected and owned by a non-governmental entity. NASA and Commerce seem to regard the METSAT-LANDSAT product as subject to the kinds of export controls applied to wheat or computers. Information, as opposed to commodities or products, cannot be physically controlled as easily, and constitutional questions could arise. State and DoD also appear to believe that the environmental satellite output can be controlled. CIA/OGC [] is looking at the problem. []

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7. NASA is much concerned that State and Commerce believe that a commercial operator is not bound by the USG non-discriminatory distribution policy for environmental satellite products. []

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8. Dr. Calio announced that Commerce will attempt to have LANDSAT D prime launched ASAP (perhaps March 84) because LANDSAT D is about to die. Supplemental funding or NASA reallocation from other projects would be required. In addition, Secretary of Commerce Baldrige is about to float in the Cabinet Council on Trade and Industry a proposal for immediate procurement of the second LANDSAT D prime. This would also require a supplemental appropriation. The Department is not enthusiastic (\$10 million market and \$300 million plus cost). In my view, the Secretary of Commerce wants to put the political burden of ending LANDSAT on others' backs. []

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9. To date, DCI equities have been protected and the NRO officers representing both the DCI and DoD on the working groups are performing well. The DCI is also represented by [] (OGC) on the legal working group. []

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10. The next IB-COESS meeting will occur on/about 12 August and presumably will be concerned primarily with the draft RFP. []

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